



October 26, 2018

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *Ex Parte* Communication: WC Docket Nos. 18-156

Dear Ms. Dortch:

On October 24, 2018, Trey Judy of Hargray Communications, Mike Bishop of Cincinnati Bell, and Ken Pfister of Great Plains Communications,¹ along with Genny Morelli and the undersigned of ITTA, met with Nirali Patel of the Office of Chairman Pai regarding the Further Notice of Proposed Rulemaking (FNPRM) in the above-captioned proceeding.²

During the meeting, we discussed various points raised in ITTA's comments on the FNPRM.³ We reiterated that the Commission should take targeted actions to address any arbitrage and abuses associated with 8YY originating access, rather than implement the FNPRM's overreaching proposals. In that regard, we noted that, as reported by some ITTA members and described in the ITTA comments, although 50 percent or greater of such members' originating interstate access minutes are attributable to 8YY calls, at the same time their originating 8YY access minutes decreased by a range of 20 to 50 percent from 2011 through 2016,⁴ suggesting that there should be standards the Commission can establish to help pinpoint sources of whatever 8YY abuse and arbitrage there may be in lieu of adopting the excessive proposals contained in the FNPRM.

In the alternative, the Commission could take the limited but meaningful step of reforming 8YY database query charges. Although, if the Commission adopts this alternative, ITTA supports applying a nationwide cap to impose discipline upon such charges, setting such charges at the lowest rate charged by any price cap incumbent local exchange carrier (ILEC) is not appropriate. Instead, the Commission in this case should adopt a more averaged rate cap, such as the approach supported by ITTA in its comments.⁵ ITTA also supports the FNPRM's proposal to allow only one database query charge per 8YY call.

¹ Messrs. Bishop and Pfister participated by telephone.

² *8YY Access Charge Reform*, Further Notice of Proposed Rulemaking, FCC 18-76 (June 8, 2018).

³ See Comments of ITTA – The Voice of America's Broadband Providers, WC Docket No. 18-156 (Sept. 4, 2018).

⁴ See *id.* at 8-9.

⁵ See *id.* at 5-6.

In no event, however, should the Commission transition 8YY originating access to bill-and-keep. 8YY traffic is not reciprocal. One carrier's originating traffic does not terminate on another carrier's network. If the Commission implements bill-and-keep for such charges, originating LECs will either have to absorb the revenue loss or recoup the lost revenues from their customers.⁶ Neither scenario is in the public interest. As Messrs. Pfister and Bishop described, the former scenario would have the effect of diverting capital away from broadband deployment. The latter scenario would shift the costs of 8YY services from businesses to ratepayers, such that consumers who do not place 8YY calls will end up subsidizing them, rather than the costs being borne by the businesses and their customers that are the beneficiaries of 8YY services. This cost shifting to ratepayers would fundamentally contravene the notion that such services are toll-free.

In the unfortunate event that the Commission does adopt a transition of 8YY originating access to bill-and-keep, it must correspondingly implement measures to mitigate the attendant consumer and carrier harms. In this case, the Commission should limit the transition to bill-and-keep to originating end office 8YY access charges, and provide a transition period of at least six years.⁷ We further described the different access revenue recovery mechanisms that must be applied to price cap carriers and rate-of-return carriers.⁸

Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/

Michael J. Jacobs
Vice President, Regulatory Affairs

cc: Nirali Patel

⁶ See *id.* at 7.

⁷ See *id.* at 12-17.

⁸ See *id.* at 18-22.